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EASTERN WASHINGTON UNIVERSITY BOARD OF TRUSTEES

Regular Meeting

June 22, 2011

MINUTES

Trustees Present:

Bertha Ortega, Chair
Neil McReynolds, Vice Chair
Jo Ann Kauffman
Ines Zozaya-Geist.
Mark Mays
Paul Tanaka
Kris Mikkelsen

Call to Order, I.

Chair Ortega called the June 22, 2011, regular meeting of the Eastern Washington University Board of Trustees to order at 8:30 a.m. She announced the Board would convene in executive session under RCW 42.30.110 for the following purposes: *(g) to evaluate the qualifications of an applicant for public employment or to review the performance of a public employee; (i) to discuss with legal counsel representing the agency matters relating to agency enforcement actions, litigation or potential; and/or under RCW 42.30.140 to plan or adopt a strategy or position to be taken by the governing body during the course of any collective bargaining, professional negotiations, or grievance or mediation proceedings, or reviewing the proposals made in the negotiations or proceedings while in progress.*

She further announced that executive session would last approximately one and one-half hours, that no final action would be taken during the executive session, and that at the conclusion of the executive session the Board would convene into open session.

Quorum, II.

A quorum was present, and no trustees were absent.

Executive Session, III.

Chair Ortega stated that executive session was held for purposes authorized in RCW 42.30.110 and/or 42.30.140 as previously scheduled. She stated that executive session ended at 9:55 a.m. and that no action was taken during executive session.

Reconvene Open Board of Trustees Meeting

Chair Ortega called the open session of the June 22, 2011, regular meeting of the Eastern Washington University Board of Trustees to order at 10:04 a.m.

Reports, IV.

Data Center, IV.A.

Dr. Gary Pratt provided a power point demonstration that talked about the before and after regarding the data center. Some issues over the last four years include: power problems, beyond outlet capacity, cooling problems, and few standards in place. Improvements have included: battery backup, doubled the storage space, and more control of the wiring. Dr. Arévalo mentioned the cost savings related to some of the data center improvements. The improvements cost \$1.5 million over two biennia, but the cost recovery will show up over the next few years, especially in our utility bills.

University President's Report, IV.B.

- Over the past few months, Dr. Arévalo was more involved with community related activities. One of his new efforts this year involved a partnership with the Wenatchee Valley Cultural Center--using music to motivate students to stay in school. Eastern sponsored the Northwest Mariachi Festival. He traveled to Wenatchee for the festival and dinner, along with representatives from the Chicano Education Program and Julian Gomez Giraldo, director of orchestras and professor of music in our Music Department, who judged the competition. These types of ventures promote and market EWU, ultimately netting not only students, but genuine relationships with communities.
- Dr. Arévalo reported that EWU will recognize a \$24.8 million permanent reduction from its funding base, but we will use this opportunity to focus our efforts on initiatives that enhance student success, community engagement, and virtual learning. We will raise tuition by only 11 percent (the lowest increase in the state), and are able to remain the most affordable four-year education in the state.
- He drove his car in the Lilac Parade, which honors our military, recognizes our youth, and showcases our region. We support these key concepts by our association with Partners for Veteran Supportive Campuses, our faculty members showcase our exceptional students each year at the Annual Research Symposium, and the many memberships and affiliations by faculty, staff and administrators engage us within our local communities, making Eastern highly visible and an excellent resource to the region.

Trustees' Reports, IV.C.

Ms. Ortega reported on a successful retreat yesterday, where the trustees provided input on the strategic plan for the next five years.

Organization President's Reports, IV.D.

Faculty Organization, IV.D.1.

Mr. William Loendorf said the last meeting of the Faculty Senate ended on a positive note. The Senate wants to be more proactive on the issue of student success and the calendar issue, so the plan is to consider appointing an ad hoc committee in the fall to examine these issues. Senate will not convene again until the fall.

Classified Staff Union, IV.D.2.

Mr. Quincy Burns expressed WFSE concerns about the budget and possible wage cuts, and renewed his commitment to work with leadership to get through these uncertain times.

Associated Students, IV.D.3.

Mr. Oscar Ocaña thanked everyone for their hard work and thoughtfulness while making tough budgetary decisions and congratulated his predecessors for their excellent performance and success, one of which was the Benefit Concert for Japan, which raised more than \$500 to be donated to the Red Cross to help support Japanese citizens after the March 11 earthquake. The council plans to continue some of their projects, such as the PUB remodel and establishment of the new Graduate Senate. The Council will be setting their main goals, e.g. looking closely to approach in an efficient way our non-traditional students, promote more involvement with the community, K-12 institutions, community colleges, and non-profit organizations in Cheney and Spokane. They will also seek a way to better involve themselves with both campuses, as well as improving the communication channels so the Associated Students can be more connected with their representatives and be more involved with EWU as a whole. The main mission of the ASEWU is the advocacy of students' success. He also noted that four new justices have been appointed to the ASEWU Supreme Court, with one justice returning from last year.

Action Items, V.

Consent Action Items, V.A.

Chair Ortega announced that the second consent agenda item, V.A.2., Repeal of Policies, would be deferred to the next board meeting.

Motion 06-01-2011: *Trustee Tanaka moved that consent item V.A.1., Minutes of the May 19, 2011 Regular Board of Trustees' Meeting, and consent item V.A.3., Revision of five university policies, be approved as presented. He noted that the policies being revised have been reviewed twice by Board committees. Seconded by Trustee Mikkelsen. Motion carried.*

Discussion Action Items, V.B.

FY2011-2013 Operating & Capital Budget, V.B.1

Neil McReynolds reflected on the work the Business and Finance committee has done on the budget over the past year. This is the third straight year with budget cuts and tuition increases, and we have seen a 45 percent reduction of state support over the past few years. The work by the Board as well as the administration that has led up to the adoption of the budget has been long and extensive. The committee addressed three concerns: 1) student retention, graduation rates, time to degree; 2) transformational change (how we deliver education to the students); and 3) the use of our reserves. Today we will be adopting a final capital and operating budget, as well as setting tuition for the next year.

Dr. Arévalo provided background information about how he and his fellow presidents needed to get the governor and legislature to think critically about three things: state support, tuition, and financial aid and how those three interact together. Historically the legislature was under the impression that tuition is where we get all our funding. With these three pieces of funding, the need to fund institutions differently was apparent. Since the missions of the universities are different, there needs to be differentiated funding for each. Dr. Arévalo also recommended considering the development of an endowment that would be funded by business and industry. The state did look at differentiated budgets, and as a result we received less of a state cut at EWU. David Buri did a great job

explaining the differences to the legislature. The legislature did create an endowment, which has already attracted \$50 million. We hope that fund will expand to \$100 or \$150 million so the residual of that fund can be used for financial aid. Overall we were successful in a number of fronts, not only in moving the legislature but also in moving the rest of our presidential colleagues to a position that was akin to what Eastern needed to do.

Mary Voves explained the total budget for the biennium is \$450,276,843. Our budget reduction was at 26.5 percent, a decrease from \$114 million to \$68 million over the past three years. State support decreased more than 68 percent. Students pay more, and tuition picks up this revenue reduction. Reserves will fund the salary reduction. Our real base reduction is about \$10 million. Our state operating fee total is \$185,383,536.

Next, the capital budget was reviewed, which Ms. Voves said was very simple and streamlined.

- Re-appropriation budget of \$21,747,000 for Patterson Hall.
- New appropriation of \$46,817,000.
- Total state capital of \$68,564,000
- Total local capital budget for \$25,740,000, which includes our new residence hall.

In summation, we are asking \$450,276,843 for the 2011-2013 biennial, based on tuition increase of 11 percent for undergraduates and 9 percent for graduates, with a 5 percent increase in service and activities fees. To support this budget level, \$6,882,806 of reserves will be needed.

Motion 06-02-2011: *Trustee McReynolds moved that the FY2011-2013 Operating Budget be approved as presented. Seconded by Trustee Mikkelsen. Discussion:*

Trustee Tanaka asked about the Board's reserve policy and bond rating. Ms. Voves explained that we have been building these reserves in order to bridge anticipated shortfalls.

Mr. Tanaka noted the Board does not like to increase tuition; but the legislature has set a floor of 11 percent and if we don't take it the legislature could come back next year and take it away from us. It is important to recognize that, from a financial perspective, the Board does not have a lot of leeway.

Trustee Mays noted the Board tried very hard to do the best we could do for all involved.

Trustee McReynolds questioned the effect of continued downturn in the economy on the second year of the biennium. Ms. Voves explained that our increased enrollment should cover or at least help with any future reductions.

Trustee Mikkelsen thanked Ms. Voves and the administration for their excellent financial management and work on the budget. Chair Ortega echoed this sentiment.

Motion carried.

Motion 06-03-2011: *Trustee McReynolds moved that the FY2011-2013 Capital Budget be approved as presented. Seconded by Trustee Tanaka. Motion carried.*

Summation: Trustee Wrap-up Discussion, VI.

Trustee McReynolds read a resolution honoring Jean Floten, who stepped down as President of Bellevue College and is now Chancellor of Western Governors University. (Resolution attached to the official minutes.)

Motion 06-04-2011: *Trustee McReynolds moved that the Board of Trustees approve the resolution for Jean Floten. Seconded by Trustee Tanaka. Motion carried.*

Adjournment, VII.

Chair Ortega noted there will be a Board work session on August 25, 2011, and the Data Center Tour would follow today's meeting. The meeting adjourned at 11:32 a.m.

Bertha Ortega, Chair
Board of Trustees

Rodolfo Arévalo, Secretary